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6 APR 1961

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT : Transfer of National Intelligence Survey Allocation from
Department of State

REFERENCE : Memorandum dtd 23 Mar 61 to DCI fr AD/SI, same subject

1. The referenced memorandum recommends that you approve in principle (upon receipt of a formal proposal from the Department of State) the reallocation of the production and maintenance of sociological, political, and economic basic intelligence for the National Intelligence Survey from the Department of State to the Central Intelligence Agency and to specified non-USIS Departments. To implement your approval, the memorandum recommends:

- a. assumption of responsibility by the AD/SI for the reallocation of basic intelligence for the NIS and resolution of arrangements with State;
- b. the transfer of 150 "personnel positions" from State (112 to CIA to constitute a new Research Division and a Graphic Support Branch in CBI, and 38 to non-USIS Departments); and
- c. the allocation of 9,500 sq. ft. of space on the ground floor of the new building to the functions transferred to CBI.

2. This office is not in a position to evaluate the operational advantages of the proposed transfer. The proposal does, however, contain important implications with respect to funds, personnel ceiling, and space allocation.

3. Presumably the Deputy Director (Intelligence) has established to his satisfaction that the NIS workload in question can, in fact, be handled by 150 positions (versus the net of [redacted] by CIA). The corresponding cost figures in the referenced memorandum suggest a potential saving to the Agency in the nature of \$700,000. The impact of the proposal on the Agency's personnel ceiling and space allocation in the new building is less fortuitous.

4. The proposed transfer of positions to CIA would increase the Agency's headquarters strength by 112. Added to the proposed transfer of Biographic Intelligence from State, this would mean a combined increase of nearly 200 in our headquarters strength. In view of our continuing efforts to reduce the number of employees in Washington and the attitudes of our congressional committees on this

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subject, I urge your careful consideration of the impact of these proposals on our headquarters complement.

5. The recommendation that 9,500 sq. ft. of space on the ground floor of the new building be allocated to CBI to accommodate the transferred functions poses a real problem. A decision on this point should be made in the over-all context of the competing demands of the total Agency for the limited space available in the new building. Against the 14,000 sq. ft. of space made available by the decision to leave the Foreign Documents Division out of the new building, we now have under consideration:

- a. undivided requirements for approximately 9,100 sq. ft. of space for the [REDACTED] Coordination Staff;
- b. a tentative requirement for 10,000 additional sq. ft. for Biographic Register (proposed transfer of Biographic Intelligence from State); and
- c. the current request of 9,500 sq. ft. for NIS functions proposed for transfer from State to CBI. (The Building Planning Staff estimates this last requirement at 14,000 sq. ft.) In total, these requirements thus exceed the space freed by FDD by somewhere in the range of 4,600-9,100 sq. ft.

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Beyond this, the foregoing demands include no provision for a very necessary reserve of contingency space to take care of special projects and the staging of moves. Viewed against the facts that Project [REDACTED] occupied roughly 17,000 sq. ft. and [REDACTED] now occupies 21,000 sq. ft., I believe it is essentially necessary that we retain a minimum of 15,000-20,000 sq. ft. as a contingency reserve. All of this adds up to the fact that we are out of space, and that we need to identify additional Agency components or functions which can remain outside the new building.

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6. The referenced memorandum also suggests some questions of organization and allocation of editing within the DD/I complex:

- a. The obvious question is whether CBI should add to its primary functions of coordination, editing, publication, and dissemination of basic intelligence, the responsibility for production of certain NIS sections, or whether the production function proposed for assignment to CBI might better be located in one of the DD/I producing offices. This decision is directly related to DO/T's space requirements in the new building. Conceivably, without the added responsibility for NIS production (and the attendant need to be near research facilities), CBI could remain outside the new building. (CBI is presently allocated 10,900 sq. ft. of space in the new building on the second and third floors, fourth wing.)

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- b. The paper mentions that CIA/OCR will produce the Sino-Soviet Bloc Sections of the NIS on Manpower and Welfare, but provides for no increase in OCR positions to cover this new function.

I assume that the DO/I already has considered, or will carefully consider, these points if the decision is made to go ahead with the proposed transfer of functions from State.

7. In your consideration of the substance of this proposal, it may interest you that, based on a draft which I am currently reviewing, it appears likely that the Comptroller General, in his report to the Kilday Committee, will:

- a. question the financing by CIA of "certain Department of State activities which are not CIA's primary responsibility" on the basis that "such financing has the effect of supplementing the appropriations of the Department of State" (CIA support to State for NIS production, OCR support to the Library of Congress for two accession lists.); and

- b. recommend that the Director "rearrange the assignment of responsibilities between CIA and the Department of State in relation to the funds available to each of these agencies, and, if necessary, obtain additional authority from the Congress for the transfer of funds to carry out the responsibility of the Department of State."

Should you conclude that the reallocation of responsibilities proposed in the referenced memorandum is desirable, this probable position of the Comptroller General makes all the more important the need for prior clearance with the Bureau of the Budget and our congressional committees.

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L. K. White
Deputy Director
(Suggested)

cc: DDCI
DDM
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